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Rosneft Ready to Take Gazprom to Court Over Pipeline Refusal

By The Moscow Times

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Rosneft, Russia's biggest oil firm, said Tuesday it would take gas producer Gazprom to court if it refused to offer the state-controlled company access to a gas pipeline due to be built to China.

Rosneft and Novatek, Russia's largest private gas producer, last year broke Gazprom's monopoly on shipping gas abroad, getting permission to export liquefied natural gas (LNG) but not getting access to pipelines.

Since then Rosneft has pushed for access to the 'Power of Siberia' pipeline, which has yet to be built but will link east Siberian gas production with China, as part of a deal clinched by Gazprom to supply China with gas over 30 years.

On Tuesday Rosneft said Gazprom as "an infrastructure monopoly" was obliged to give access to its pipelines to independent gas producers so gas Rosneft planned to produce in eastern

Siberia could give "light and heat" to the regions.

"We will ensure that our citizens' right to have a life they deserve will be protected through talks ... and using court procedures if needed," it said in a statement.

A spokesman for Gazprom declined to give any immediate comment.

Russia plans to begin gas deliveries to China from 2019, with a view to gradually bringing volumes up to 38 billion cubic meters per year. Last week a Gazprom executive said the company planned to build the pipeline using its own money.

The total annual capacity of the 'Power of Siberia' pipeline is projected to be 61 billion cubic meters, with overall costs, including to bring new gas fields onstream, at $55 billion.

President Vladimir Putin has suggested recapitalizing Gazprom to help meet the costs, but the idea was rejected by the company because it feared it may open up the pipeline to competitors.

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